



Tourism Committee

**Tuesday, March 7, 2006
2:00 PM
12 HOB**

**Allan G. Bense
Speaker**

**Rep. Nancy Detert
Chair**

TOURISM COMMITTEE

Tuesday, March 7, 2006

2:00 pm – 4:00 pm

12 HOB

I. 2:00 pm Call to Order

II. Remarks by Chairman

III. Presentation of the *Sports Economic Development Interim Project Report*

Jennifer Langston, Legislative Analyst

IV. Consideration of the following Proposed Committee Bill:

- PCB TURS 06-02 – Facilities for Retained Spring Training Franchises

V. Consideration of the following bills:

- HB 183 - Motorsports Entertainment Complexes
Representative Allen
- HB 299 - Travel-Limited Life Insurance Coverage
Representative Sobel
- HB 615 - Relating to Pro Sports Franchises
Representative Simmons
- HB 7015 - Review under the Open Govt Sunset Review Act
regarding Archaeological Sites
Representative Rivera

VI. 4:00 pm MOTION TO ADJOURN

**Sports Economic
Development Interim
Project Report**

The Sports Economic Development Interim Project Report
is available online. Please visit the Tourism Committee's webpage at
www.myfloridahouse.gov.
The report can be found under "Interim Projects."

Sports Information

Florida Spring Training Stadium Lease Dates

Team	Stadium, Location	Park Open (Renovations)	Yrs in Site	Lease Began	Expires	Stadium Owner
Atlanta Braves	Cracker Jack Stadium, Disney's Wide World of Sports, Orlando	1998	9	1998	2017	Walt Disney Co.
Baltimore Orioles	Fort Lauderdale Stadium	1961	11	2004	2007	City of Fort Lauderdale
Boston Red Sox	City of Palms Park, Fort Myers	1992	14	1993	2019	Lee County
Chicago White Sox	Ed Smith Stadium, Sarasota	1989	9	1999**	2008	City of Sarasota
Cleveland Indians	Chas. O' Leary Park, Winter Haven	1966 (1993)	14	2003	2008	City of Winter Haven
Detroit Tigers	Joker Marchant Stadium, Lakeland	1966 (2003)	70	2002	2016	City of Lakeland
Florida Marlins	Roger Dean Stadium, Jupiter	1998	4	1998*	2017	Palm Beach County
Houston Astros	Osceola County Stadium, Kissimmee	1984 (2003)	22	2001	2016	Osceola County
Los Angeles Dodgers	Holman Stadium, Dodgertown, Vero Beach	1953 (2003)	59	2001	2020	Indian River County
Minnesota Twins	Hammond Stadium, Fort Myers	1991	16	1991	2020	Lee County
New York Mets	Tradition Field, Port St. Lucie	1988 (2004)	19	2003	2017	St. Lucie County
New York Yankees	Legends Field, Tampa	1996	11	1997	2027	Hillsborough County
Philadelphia Phillies	Bright House Networks Stadium, Clearwater	2004	3	2004	2024	City of Clearwater
Pittsburgh Pirates	McKechnie Field, Bradenton	1923 (1993)	36	1991	2011	City of Bradenton
St. Louis Cardinals	Roger Dean Stadium, Jupiter	1998	9	1998	2017	Palm Beach County
Tampa Bay Devil Rays	Florida Power Park/Al Lang Field, St. Petersburg	1977 (1998)	9	1998	2007	City of St. Petersburg
Toronto Blue Jays	Knology Park, Dunedin	1990 (2002)	30	2002	2016	City of Dunedin
Washington Nationals	Space Coast Stadium, Viera	1994	4	1994*	2017	Brevard County

Yellow indicates certified **Blue indicates lease closer to expiration**

* Marlins and Expos assumed each others lease when they switched locations in 2003 ** Reds assumed lease of White Sox when they left Florida



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Sports Business

of The Boys Of Spring

Tom Van Riper, 02.27.06, 6:00 AM ET

Major League Baseball kicks off its 2006 spring-training season in Florida and Arizona this week, a tradition that makes club owners smile for reasons other than sunshine and the sights and sounds of the ballpark.

Big, new stadiums, longer exhibition schedules, higher ticket prices and unprecedented marketing blitzes have turned baseball's training month into a cottage industry all its own. Clubs now pour resources into marketing initiatives like all-inclusive vacation packages that are sometimes cross-marketed with other Florida attractions. Skyrocketing attendance hit a record of 2.9 million last year, with some teams even pushing spring-season ticket plans. And rather than wait until March 10 or so to begin exhibition games like they used to, teams now plunge right in at the beginning of March in order to maximize the schedule--and the potential for new revenue.

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See The Ballparks Of Spring.

With the spring season being more about fans getting out to see the sport and to greet the onset of summer than about seeing high-profile players, teams with relatively anonymous rosters can make nearly as much money as the big boys. For most of them, the few million or so they take in can mean the difference between a profit and a loss for the year.

The emphasis on spring-training marketing coincided with the widening of the revenue and payroll disparities that began plaguing the industry in the mid-1990s. While small-market clubs can't compete with big-market teams for regular-season television money, spring training is a chance for a more equal playing field. The Minnesota Twins and Detroit Tigers both drew over 100,000 fans last spring--not far off the New York Yankees' and Atlanta Braves' totals.

"Teams are viewing spring training as a profit center rather than a cost center, to the point where it's becoming common to negotiate better stadium terms [with local governments]. It's become a microcosm of the larger industry," says sports business consultant David Carter.

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A New Park In Surprise

Indeed, three years ago, both the Texas Rangers and the Kansas City Royals left Florida to share a facility in Surprise, Ariz., a state-of-the-art stadium that holds 10,500 people and comes complete with an aquatics center and a museum.

For a small-market club like the Royals, which made only \$3 million in operating profit in 2004, according to a Forbes analysis, an additional \$1 million or so in spring-training ticket revenue (the estimated take from 14 home games selling at an average ticket price of \$12 each and at 80% stadium capacity) can make the difference between a profit and a loss in some years.

Five other Florida-based clubs, the Philadelphia Phillies, Detroit Tigers, Toronto Blue Jays, Los Angeles Dodgers and Houston Astros, all got matching funds from their respective counties--some as much as \$15 million--to upgrade their facilities.

And the bigger, nicer parks are working. Attendance is up more than 20% over the past four years in both spring-training locales--to 1.6 million in Florida, according to the state's Sports Foundation, and to 1.3 million in Arizona, according to the Mesa Convention and Visitors Bureau.

The **Time Warner**-owned Atlanta Braves, who play their home spring games at the Disney Wide World of Sports complex in Orlando, Fla., drew 127,000 fans last spring--second only to the New York Yankees. Meanwhile, the New York Mets, who moved to Port St. Lucie, Fla., from St. Petersburg, Fla., in 1988, spent \$10 million on refurbishments in 2005; the team's Web site touts a package that combines baseball tickets with passes to Sea World.

Last year, drug-store chain CVS signed on as the primary spring-training sponsor for the Boston Red Sox--a five-year deal complete with TV advertising and stadium signage at the club's Fort Myers, Fla., complex. Tickets there go for as much as \$44 each.

Over in Arizona, the Chicago Cubs will open their tenth season at Mesa's Hohokam Park, a 12,600-seat stadium where the best seats go for \$20 apiece--approximately double what a box seat at a typical regular-season park cost in the '80s.

Seasonal Help

Meanwhile, a Florida Sports Foundation survey showed that just over half of all spring-training attendees come from out of state, typically staying ten days and attending six games. The average fan spends about \$30 per day at stadiums for tickets and souvenirs, the survey found, plus another \$70 per day outside the game on lodging, food and other goods. That translates into \$560 million pumped into the local economy, plus an estimated \$144 million to the 18 teams that train in the state (or about \$8 million each, though that varies as some teams draw better than others).

Assuming each of the 152,655 people that the Yankees drew to Tampa, Fla., in 2005 indeed spent \$30 on tickets and concessions, then the team took in \$4.6 million on that revenue alone. That covers

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most of the salary of relief pitcher Kyle Farnsworth, who the team signed this winter as a key component of their quest to get back the World Series. A march through the post-season concluding with a World Series appearance can easily yield \$20 million in ticket revenue alone.

Carter doubts that this year's World Baseball Classic, which will take many high-profile players out of team training camps for much of March, will affect attendance much. Spring training, he says, is more about a look ahead to summer than about seeing individual stars.

Working Together

John Brody, MLB's senior vice president of corporate sales and marketing, says the league has begun taking an active roll in streamlining sponsorship dollars by allowing national sponsors to bundle their resources to advertise with all 18 Florida-based teams at once.

"Clubs are now more willing to work together," he says, adding that he's hopeful about instituting a similar model for the 12 Arizona clubs by next year.

For MLB sponsors, the growth of the March season means more opportunities. Anheuser-Busch has seen its spring-training business grow at double-digit rates for several years, spurred by increases in stadium signage, point-of-sale displays and media buys, according to Vice President of Sports and Entertainment Marketing **Tim Schoen**. Southwest Airlines, which sponsors a half-dozen Arizona-based teams, gets more bang for its buck from stadium signage and in-game contests, says its sports marketing senior manager, **Andy Allman**. The airline offers 200 flights per day in and out of Phoenix, using some of those to entertain clients at spring games.

Another Arizona-based sponsor, Pepsi Bottling Group, gets more buzz than it used to for its traditional radio-van campaign, where local stations give away tickets outside Phoenix-area restaurants.

"It used to be just open the gates, with locals hired as temps to sell tickets and concessions," says Jay Miller, who formerly ran the Texas Rangers spring operation. "Now many more club staffers are involved, including many with MBAs. There are lots of sharp people running things now."

See The Ballparks Of Spring.

More On This Topic


Sports Money With Mike Ozanian: Interview With President of Yankees

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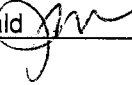
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HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB TURS 06-02
SPONSOR(S): Tourism Committee
TIED BILLS:

Facilities for Retained Spring Training Franchises

IDEN./SIM. BILLS: SB 1886

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Tourism Committee		Langston 	McDonald 
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Chapter 2000-186, LOF, created a one-time funding opportunity for at least five applicants certified as facilities for retained spring training franchises. Applications for consideration for certification were required to be submitted to the Office of Tourism, Trade, and Economic Development (OTTED) by October 1, 2000 with certifications being given by January 1, 2001. OTTED was required to competitively evaluate applications. OTTED certified applicants based upon the statutory criteria and notified the Department of Revenue of the certifications. The Department of Revenue was instructed to distribute sales tax proceeds to any applicant certified under s. 288.1162(5), F.S., as a "facility for a retained spring training franchise." A certified applicant could receive up to \$41,667 monthly for up to 30 years. However, not more than \$208,335 could be distributed monthly in the aggregate to all applicants certified as facilities for retained spring training franchises. The duration and total amount of funding varies depending upon the certification. The five existing certifications are: Lakeland - Detroit Tigers, Dunedin - Toronto Blue Jays, Indian River - Los Angeles Dodgers, Osceola County - Houston Astros, and Clearwater - Philadelphia Phillies.

The bill provides for certification of up to four additional applicants as facilities for retained spring training franchises. Applications must be received by OTTED by October 1, 2006 and certifications made by January 1, 2007. The bill uses the same procedures used for the one-time funding of the five certified applicants in 2001 with the exception of the criteria. The bill includes additional selection criteria, including a prohibition against consideration of an application for those teams that have more than 4 years remaining on an existing lease. The aggregate amount of funding for certified applicants is up to \$41,667 per facility per month for a total aggregate monthly maximum of \$166,668.

The bill amends s. 212.20, F.S., to increase the aggregate distribution of sales and use tax distributions to all applicants certified as facilities for a retained spring training franchises to \$375,003 to accommodate the four additional certifications. It also provides that both the amount and duration of distribution established in the certification cannot be altered. The addition of four certifications of applicants as retained spring training franchise facilities will have a maximum negative impact of (\$666,672) in FY 06-07 and a maximum recurring negative impact of (\$2,000,016) annually beginning in FY 07-08 and continuing for up to 30 years. See "Fiscal Comments."

Currently, four retained spring training franchises with no more than 4 years remaining on existing leases are the Baltimore Orioles, Cincinnati Reds, Cleveland Indians, and the Tampa Bay Devil Rays.

The bill takes effect July 1, 2006.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: pcb02.TURS.doc
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FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government- The bill increases responsibilities for the Governor's Office of Tourism, Trade, and Economic Development and the Department of Revenue relating to the certification and distribution processes related to applicants for facilities for retained spring training franchises.

Ensure Lower Taxes – The bill requires an annual distribution from sales tax revenues of up to \$2,000,016 for additional certifications for applicants for facilities for retained spring training franchises. See details below.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Facilities for Retained Spring Training Franchise - Certification

Chapter 2000-186, LOF, created a one-time funding opportunity for at least five applicants certified as facilities for retained spring training franchises. Applications for consideration for certification were required to be submitted to the Office of Tourism, Trade, and Economic Development (OTTED) by October 1, 2000 with certifications being given by January 1, 2001. OTTED was required to competitively evaluate applications. If the number exceeded five and the aggregate funding request exceeded \$208,335 per month, OTTED was required to rank the applications according to criteria delineated in s. 288.1162(5)(c), F.S. OTTED could not certify partial funding to any applicant certified as a facility for a retained spring training franchise.

Prior to certifying, OTTED was required to determine that a unit of local government was responsible for the acquisition, construction, management or operation of the retained spring training franchise facility or held title to the property on which the facility was located; the applicant had a verified copy of a signed agreement with a retained spring training franchise for the use of the facility for a term of at least 15 years; the applicant had a financial commitment of 50 percent or more of the funds required by an agreement for the acquisition, construction, or renovation of the facility; the applicant had valid projections demonstrating that the facility would attract paid attendance of at least 50,000 annually; and, that the facility was located in a county levying a tourist development tax pursuant to s.125.0104, F.S.

Funds could not be expended to subsidize privately-owned and maintained facilities for use by the retained spring training franchise. Funds could be used to relocate an existing retained spring training franchise to another unit of local government within the state if the local government from which it was relocating agreed to the move. Other than the use of funds for an agreed to relocation, funds could only be used to pay for acquisition, construction, reconstruction, or renovation of a facility or to pay or pledge for the payment of debt service on a facility or for the reimbursement or refinancing of bonds issued.

The Department of Revenue was instructed to distribute sales tax proceeds to any applicant certified under s. 288.1162(5), F.S., as a "facility for a retained spring training franchise." A certified applicant could receive up to \$41,667 monthly for up to 30 years. However, not more than \$208,335 could be distributed monthly in the aggregate to all applicants certified as facilities for retained spring training franchises.

OTTED certified the following:

• Lakeland	Detroit Tigers	\$ 7 million	15 years
• Dunedin	Toronto Blue Jays	\$10 million	20 years
• Indian River	Los Angeles Dodgers	\$15 million	30 years
• Osceola County	Houston Astros	\$ 7.5 million	15 years
• Clearwater	Philadelphia Phillies	\$15 million	30 years

Funding – Tax Distribution

Chapter 212, F.S., imposes a state sales and use tax of 6% on retail sales of most tangible personal property, admissions, transient lodgings, commercial rentals, and motor vehicles. Tax collections are deposited by the Department of Revenue (DOR) in the General Revenue Fund of the state and into a variety of trust funds benefiting state agencies and local governments. Section 212.20, F.S., governs the distribution by DOR of tax revenues collected under the provisions of Chapter 212, F.S. Subsection (6) of that section requires DOR to distribute funds to certain applicants certified as sports facilities.¹

Specifically, s. 212.20(6)(d)7.b., F.S., requires DOR to distribute up to \$41,667 monthly to applicants certified by OTTED as “facilities for retained spring training franchises.” However, not more than \$208,335 can be distributed monthly in the aggregate to all applicants certified as “facilities for retained spring training franchises.” All distributions to certified applicants for new and retained professional sports franchise facilities and for retained spring training franchise facilities begin 60 days after certification and continue for no more than 30 years.

A certified applicant under the paragraph is not to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6), F.S. A certified applicant, however, is entitled to receive distributions up to the maximum amount allowable and undistributed under s. 212.20, F.S., for additional renovations and improvements to the facility for the franchise without additional certification.

Proposed Changes:

The bill amends s. 288.1162(5), F.S., to provide for certification and funding of no more than four additional applicants for facilities for retained spring training franchises. Applications must be received by OTTED by October 1, 2006, and any certifications must be made by January 1, 2007. The bill uses the same procedures used for the one-time funding of five facilities in 2001 with the exception of changes in the selection criteria. The funding for facilities to be certified is up to \$41,667 per facility per month for a total aggregate amount for the new certified applicants not to exceed \$166,668 per month.

Additional criteria for selection is added, including a prohibition against consideration of an application for those franchises that have greater than 4 years remaining on an existing lease.² The bill amends s. 212.20(6)(d)7.b., F.S., to increase the aggregate distribution of sales and use tax distributions to all applicants certified as facilities for retained spring training franchises to \$375,003 to accommodate the four additional certifications and to remove language that permits changes in the amount of distribution and length of distribution after certification and without any review by OTTED. This final change provides that the amount of distribution and the time frame for distribution is that which is specified in the certification.

¹ Under this paragraph, DOR provides funding to new and retained professional sports franchise facilities and to retained spring training franchise facilities as certified under s. 288.1162, F.S.; the Professional Golf Hall of Fame facility as certified pursuant to s. 288.1168, F.S., and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each recipient receives a fixed monthly distribution that is set by statute. It also requires that no other sports businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

² Currently, there are four spring training franchises that do not have more than 4 years on their leases: Baltimore Orioles, Cincinnati Reds, Cleveland Indians, and the Tampa Bay Devil Rays.

C. SECTION DIRECTORY:

Section 1: Amends s. 212.20(6)(d)7.b., F.S., relating to distribution of funds to applicants certified as facilities for retained spring training franchises; increases distribution for applicants certified as facilities for retained spring training franchises; removes language providing ability to increase amount or duration of funding after certification

Section 2: Amends ss. 288.1162, (5) and (7), F.S., relating to retained spring training franchise facilities; provides additional certifications of applicants as facilities for retained spring training franchises; provides procedures and criteria for certifying applicants; conforms language; provides exceptions for certification disqualification; provides limitation on length of payment.

Section 3: Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: :	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
General Revenue	(\$666,672)	(\$2,000,016)	(\$2,000,016)

See "Fiscal Comments" for more detail.

2. Expenditures:

Minimal. See "Fiscal Comments."

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
Local Revenues	\$666,672	\$2,000,016	\$2,000,016

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

At this time, the exact impact on the private sector is not able to be determined.

D. FISCAL COMMENTS:

The actual amount of the distribution and the duration of the distribution for the four new certifications of applicants as retained spring franchise facilities will not be known until the certifications are approved by OTTED. As with the previous such certifications, the amount and duration could vary. Therefore, the maximum amount of monthly distribution was used to estimate the General Revenue impacts. Since certifications have to be completed by January 1, 2007 and distributions occur 60 days after DOR is notified by OTTED, the assumption was made that distributions would begin March 1, 2007 for purposes of estimating FY 06-07 impacts.

The bill will have an impact on OTTED and the Florida Sports Foundation with regard to the application review and certification process for the new certifications created by the bill. The impact is not known at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

BILL

Redraft - A

YEAR

1 A bill to be entitled
2 An act relating to facilities for retained spring training
3 franchises; amending s. 212.20, F.S.; revising a
4 limitation on certain distributions to certified
5 facilities for a retained spring training franchise;
6 deleting a provision entitling an applicant to receive
7 certain distributions without additional certification;
8 amending s. 288.1162, F.S.; requiring the Office of
9 Tourism, Trade, and Economic Development to competitively
10 evaluate applications for funding of certain additional
11 facilities; providing application and certification
12 requirements; specifying evaluation criteria; revising the
13 number of certifications of such facilities; providing an
14 effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Paragraph (d) of subsection (6) of section
19 212.20, Florida Statutes, is amended to read:

20 212.20 Funds collected, disposition; additional powers of
21 department; operational expense; refund of taxes adjudicated
22 unconstitutionally collected.--

23 (6) Distribution of all proceeds under this chapter and s.
24 202.18(1)(b) and (2)(b) shall be as follows:

25 (d) The proceeds of all other taxes and fees imposed
26 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
27 and (2)(b) shall be distributed as follows:

28 1. In any fiscal year, the greater of \$500 million, minus
29 an amount equal to 4.6 percent of the proceeds of the taxes

BILL

Redraft - A

YEAR

30 collected pursuant to chapter 201, or 5 percent of all other
31 taxes and fees imposed pursuant to this chapter or remitted
32 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
33 monthly installments into the General Revenue Fund.

34 2. Two-tenths of one percent shall be transferred to the
35 Ecosystem Management and Restoration Trust Fund to be used for
36 water quality improvement and water restoration projects.

37 3. After the distribution under subparagraphs 1. and 2.,
38 8.814 percent of the amount remitted by a sales tax dealer
39 located within a participating county pursuant to s. 218.61 shall
40 be transferred into the Local Government Half-cent Sales Tax
41 Clearing Trust Fund. Beginning July 1, 2003, the amount to be
42 transferred pursuant to this subparagraph to the Local Government
43 Half-cent Sales Tax Clearing Trust Fund shall be reduced by 0.1
44 percent, and the department shall distribute this amount to the
45 Public Employees Relations Commission Trust Fund less \$5,000 each
46 month, which shall be added to the amount calculated in
47 subparagraph 4. and distributed accordingly.

48 4. After the distribution under subparagraphs 1., 2., and
49 3., 0.095 percent shall be transferred to the Local Government
50 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
51 to s. 218.65.

52 5. After the distributions under subparagraphs 1., 2., 3.,
53 and 4., 2.0440 percent of the available proceeds pursuant to this
54 paragraph shall be transferred monthly to the Revenue Sharing
55 Trust Fund for Counties pursuant to s. 218.215.

56 6. After the distributions under subparagraphs 1., 2., 3.,
57 and 4., 1.3409 percent of the available proceeds pursuant to this
58 paragraph shall be transferred monthly to the Revenue Sharing

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YEAR

59 Trust Fund for Municipalities pursuant to s. 218.215. If the
60 total revenue to be distributed pursuant to this subparagraph is
61 at least as great as the amount due from the Revenue Sharing
62 Trust Fund for Municipalities and the former Municipal Financial
63 Assistance Trust Fund in state fiscal year 1999-2000, no
64 municipality shall receive less than the amount due from the
65 Revenue Sharing Trust Fund for Municipalities and the former
66 Municipal Financial Assistance Trust Fund in state fiscal year
67 1999-2000. If the total proceeds to be distributed are less than
68 the amount received in combination from the Revenue Sharing Trust
69 Fund for Municipalities and the former Municipal Financial
70 Assistance Trust Fund in state fiscal year 1999-2000, each
71 municipality shall receive an amount proportionate to the amount
72 it was due in state fiscal year 1999-2000.

73 7. Of the remaining proceeds:

74 a. In each fiscal year, the sum of \$29,915,500 shall be
75 divided into as many equal parts as there are counties in the
76 state, and one part shall be distributed to each county. The
77 distribution among the several counties shall begin each fiscal
78 year on or before January 5th and shall continue monthly for a
79 total of 4 months. If a local or special law required that any
80 moneys accruing to a county in fiscal year 1999-2000 under the
81 then-existing provisions of s. 550.135 be paid directly to the
82 district school board, special district, or a municipal
83 government, such payment shall continue until such time that the
84 local or special law is amended or repealed. The state covenants
85 with holders of bonds or other instruments of indebtedness issued
86 by local governments, special districts, or district school
87 boards prior to July 1, 2000, that it is not the intent of this

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YEAR

88 subparagraph to adversely affect the rights of those holders or
89 relieve local governments, special districts, or district school
90 boards of the duty to meet their obligations as a result of
91 previous pledges or assignments or trusts entered into which
92 obligated funds received from the distribution to county
93 governments under then-existing s. 550.135. This distribution
94 specifically is in lieu of funds distributed under s. 550.135
95 prior to July 1, 2000.

96 b. The department shall distribute \$166,667 monthly
97 pursuant to s. 288.1162 to each applicant that has been certified
98 as a "facility for a new professional sports franchise" or a
99 "facility for a retained professional sports franchise" pursuant
100 to s. 288.1162. Up to \$41,667 shall be distributed monthly by the
101 department to each applicant that has been certified as a
102 "facility for a retained spring training franchise" pursuant to
103 s. 288.1162; however, not more than \$375,003 ~~\$208,335~~ may be
104 distributed monthly in the aggregate to all certified facilities
105 for a retained spring training franchise. Distributions shall
106 begin 60 days following such certification and shall continue for
107 not more than 30 years. Nothing contained in this paragraph shall
108 be construed to allow an applicant certified pursuant to s.
109 288.1162 to receive more in distributions than actually expended
110 by the applicant for the public purposes provided for in s.
111 288.1162(6). ~~However, a certified applicant is entitled to~~
112 ~~receive distributions up to the maximum amount allowable and~~
113 ~~undistributed under this section for additional renovations and~~
114 ~~improvements to the facility for the franchise without additional~~
115 ~~certification.~~

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116 c. Beginning 30 days after notice by the Office of Tourism,
117 Trade, and Economic Development to the Department of Revenue that
118 an applicant has been certified as the professional golf hall of
119 fame pursuant to s. 288.1168 and is open to the public, \$166,667
120 shall be distributed monthly, for up to 300 months, to the
121 applicant.

122 d. Beginning 30 days after notice by the Office of Tourism,
123 Trade, and Economic Development to the Department of Revenue that
124 the applicant has been certified as the International Game Fish
125 Association World Center facility pursuant to s. 288.1169, and
126 the facility is open to the public, \$83,333 shall be distributed
127 monthly, for up to 168 months, to the applicant. This
128 distribution is subject to reduction pursuant to s. 288.1169. A
129 lump sum payment of \$999,996 shall be made, after certification
130 and before July 1, 2000.

131 8. All other proceeds shall remain with the General Revenue
132 Fund.

133 Section 2. Paragraph (c) of subsection (5) and subsection
134 (7) of section 288.1162, Florida Statutes, are amended to read:

135 288.1162 Professional sports franchises; spring training
136 franchises; duties.--

137 (5)

138 (c)1. The Office of Tourism, Trade, and Economic
139 Development shall competitively evaluate applications for funding
140 of a facility for a retained spring training franchise.
141 Applications must be submitted by October 1, 2000, with
142 certifications to be made by January 1, 2001. If the number of
143 applicants exceeds five and the aggregate funding request of all
144 applications exceeds \$208,335 per month, the office shall rank

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the applications according to a selection criteria, certifying the highest ranked proposals. The evaluation criteria shall include, with priority given in descending order to the following items:

a.1. The intended use of the funds by the applicant, with priority given to the construction of a new facility.

b.2. The length of time that the existing franchise has been located in the state, with priority given to retaining franchises that have been in the same location the longest.

c.3. The length of time that a facility to be used by a retained spring training franchise has been used by one or more spring training franchises, with priority given to a facility that has been in continuous use as a facility for spring training the longest.

d.4. For those teams leasing a spring training facility from a unit of local government, the remaining time on the lease for facilities used by the spring training franchise, with priority given to the shortest time period remaining on the lease.

e.5. The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration.

f.6. The amount of the local match, with priority given to the largest percentage of local match proposed.

g.7. The net increase of total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility, with priority given to the largest percentage increase of total active recreation space.

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174 ~~h.8-~~ The location of the facility in a brownfield, an
175 enterprise zone, a community redevelopment area, or other area of
176 targeted development or revitalization included in an Urban
177 Infill Redevelopment Plan, with priority given to facilities
178 located in these areas.

179 ~~i.9-~~ The projections on paid attendance attracted by the
180 facility and the proposed effect on the economy of the local
181 community, with priority given to the highest projected paid
182 attendance.

183 2. Beginning July 1, 2006, the Office of Tourism, Trade,
184 and Economic Development shall competitively evaluate
185 applications for funding of facilities for retained spring
186 training franchises in addition to those certified and funded
187 under subparagraph 1. Applications must be submitted by October
188 1, 2006, with certifications to be made by January 1, 2007. The
189 office shall rank the applications according to selection
190 criteria, certifying no more than four proposals. The aggregate
191 funding request of all applicants certified shall not exceed an
192 aggregate funding request of \$166,668 per month. The evaluation
193 criteria shall include the following, with priority given in
194 descending order:

195 a. The intended use of the funds by the applicant for
196 acquisition or construction of a new facility.

197 b. The intended use of the funds by the applicant to
198 renovate a facility.

199 c. The length of time that a facility to be used by a
200 retained spring training franchise has been used by one or more
201 spring training franchises, with priority given to a facility

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that has been in continuous use as a facility for spring training
the longest.

d. For those teams leasing a spring training facility from
a unit of local government, the remaining time on the lease for
facilities used by the spring training franchise, with priority
given to the shortest time period remaining on the lease. For
consideration under this subparagraph, the remaining time on the
lease shall not exceed 4 years.

e. The duration of the future-use agreement with the
retained spring training franchise, with priority given to the
future-use agreement having the longest duration.

f. The amount of the local match, with priority given to
the largest percentage of local match proposed.

g. The net increase of total active recreation space owned
by the applying unit of local government following the
acquisition of land for the spring training facility, with
priority given to the largest percentage increase of total active
recreation space.

h. The location of the facility in a brownfield area, an
enterprise zone, a community redevelopment area, or another area
of targeted development or revitalization included in an urban
infill redevelopment plan, with priority given to facilities
located in those areas.

i. The projections on paid attendance attracted by the
facility and the proposed effect on the economy of the local
community, with priority given to the highest projected paid
attendance.

(7) The Office of Tourism, Trade, and Economic Development
shall notify the Department of Revenue of any facility certified

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231 as a facility for a new professional sports franchise or a
 232 facility for a retained professional sports franchise or as a
 233 facility for a retained spring training franchise. The Office of
 234 Tourism, Trade, and Economic Development shall certify no more
 235 than eight facilities as facilities for a new professional sports
 236 franchise or as facilities for a retained professional sports
 237 franchise ~~and shall certify at least five as facilities for~~
 238 ~~retained spring training franchises~~, including in such total any
 239 facilities certified by the Department of Commerce before July 1,
 240 1996. The number of facilities certified as a retained spring
 241 training franchise shall be as provided by subsection (5). The
 242 office may make no more than one certification for any facility.
 243 The office may not certify funding for less than the requested
 244 amount to any applicant certified as a facility for a retained
 245 spring training franchise.

246 Section 3. This act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS


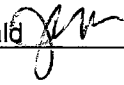
BILL #: HB 183

Motorsports Entertainment Complexes

SPONSOR(S): Allen

TIED BILLS:

IDEN./SIM. BILLS: SB 494

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee		Langston 	McDonald 
2) Finance & Tax Committee			
3) Fiscal Council			
4) State Infrastructure Council			
5) _____			

SUMMARY ANALYSIS

This bill provides for the distribution of a portion of revenues from the tax on sales, use, and other transactions to an applicant certified as a motorsports entertainment complex by the Office of Tourism, Trade, and Economic Development (OTTED). Thirty days after OTTED notifies the Department of Revenue of the applicant certification, an amount not to exceed \$166,667 shall be distributed monthly to the applicant and continue for 30 years. The bill establishes a baseline for determining the amount of distribution that the certified applicant is eligible to receive from the Department of Revenue each year that would be prorated on a monthly basis. Distribution in a year is based upon the difference of sales taxes collected and remitted for the previous calendar year and that collected and remitted for calendar year 2000 which is the base year. If sales tax remitted is less than the baseline year, no money will be received. If it is more than what was received in the baseline year, whatever the difference is up to a maximum of \$2 million can be received by the certified applicant.

The bill delineates requirements for certification of an applicant as a motorsports entertainment complex (complex), which is defined as a closed-course racing facility with ancillary grounds and facilities. In order to be certified, not only is OTTED required to determine that the complex meets the definition, but it also must determine that the complex meets additional criteria specified in the bill. OTTED must recertify annually that the complex generates sufficient sales tax revenues as required by the bill.

Only the Homestead-Miami Speedway could qualify under the provisions of the bill.

A certified applicant may use funds to pay for construction, reconstruction, expansion, or renovation of the complex and related transportation or other infrastructure improvements that are related to, necessary for, or appurtenant to the complex; for debt service reserve funds, arbitrage rebate obligations, or other amounts relating to bonds with respect to the aforementioned; and, for advertising and promotion of the complex or the community. The Department of Revenue may audit to verify that the distributions have been expended pursuant to s. 288.1170, F.S., created by the bill, and if determined not to have been expended pursuant to that section, may pursue recovery of funds.

The effective date of the bill is July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government – The bill increases responsibilities for the Governor's Office of Tourism, Trade & Economic Development & the Department of Revenue relating to the certification and distribution processes.

Ensure Lower Taxes – The bill requires an annual distribution from sales tax revenues of no more than \$2 million for an applicant certified as a motorsports entertainment complex. See "Fiscal Comments" for details on tax distributions.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Sales Tax Distribution to Professional Sports Facilities

Section 212.20, F.S., governs the distribution by the Department of Revenue (DOR) of tax revenues collected under the provisions of Chapter 212, F.S.

Pursuant to s. 212.20(6)(d)7., F.S., DOR distributes tax revenues to applicants for professional sports franchise facilities and retained spring training sports franchise facilities that are certified by the Office of Tourism, Trade, and Economic Development (OTTED) as meeting requirements set forth in s. 288.1162, F.S., to the Professional Golf Hall of Fame facility as certified pursuant to s. 288.1168, F.S., and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each certified applicant receives a fixed monthly distribution that is set by statute. No other sports-related businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

The amounts listed below are the monthly payments currently authorized by law:

\$166,667.....	New professional sports franchise facility*
\$166,667.....	Retained professional sports franchise facility*
\$ 41,667(up to).....	Retained spring training franchise facility*
\$166,667.....	Professional Golf Hall of Fame facility**
\$ 83,333.....	International Game Fish Association World Center facility***

* Monthly payment is for not more than 30 years.

** Monthly payment is for up to 25 years.

*** Monthly payment is for up to 14 years; however, a lump sum payment of \$999,996 was made after certification and before July 1, 2000 (equating the payments to 15 years).

The law caps the number of applicants certified as new and retained professional sports franchise facilities eligible for funding at eight. Currently, there are six new professional sports franchise facilities and one retained professional sports franchise facility that have been certified and are receiving money. Section 288.1162, F.S., requires that at least five facilities for retained spring training franchises be certified by OTTED. OTTED cannot certify funding for less than the requested amount to any applicant certified as a facility for a retained spring training franchise. Both ss. 212.20(6)(d), and 288.1162, F.S., however, cap the total monthly distribution in the aggregate to all facilities for a retained spring training franchise at \$208,335.

Criteria are set forth in Chapter 288, F.S., for certification for each of the above listed types of facilities. Criteria for all includes such things as relationship with and support of a local unit of government, projections for paid attendance, and demonstration of being able to provide or having financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility. As a condition of certification for all, but the retained spring training franchise facility, there must be an independent analysis demonstrating that the amount of revenues projected to be generated by the respective facilities will exceed any money received from the state. Only the Professional Golf Hall of Fame facility and the International Game Fish Association World facility have certification requirements for dedication of specific funding amounts for promotion of the facility and promotion of Florida tourism.

For applicants certified as facilities for professional, retained professional, and retained spring training franchises, s. 288.1662, F.S., prohibits an applicant previously certified under any provisions of the section and receiving funding from being eligible for an additional certification. There are no requirements for review and recertification by OTTED or requirements for reduction in funding or decertification by OTTED if not meeting initial certification requirements. Sections 288.1168 and 288.1169, F.S., relating to the Professional Golf Hall of Fame facility and the International Game Fish Association World facility, contain requirements for recertification by OTTED every 10 years as well as mechanisms for imposing monetary sanctions for failure to meet all certification requirements or abatement of funding until certification requirements are met.

For all certified by OTTED, DOR is required to audit to verify that the distributions under the various governing sections have been expended as required by those sections; however, only s. 288.1162, F.S., states that DOR may pursue recovery of funds if they have been determined to have been expended outside the requirements of the law.

Sections 288.1162, 288.1168, and 288.1169, F.S., require OTTED to serve as the state agency for screening applicants for state funding pursuant to s. 212.20, F.S., and for certifying applicant facilities for funding. Section 288.1229, F.S., authorizes the creation of a direct-support organization to assist OTTED in two primary areas, one of which is in the promotion and development of the sports industry and related industries for the purpose of improving the economic presence of these industries in Florida. As part of this assistance, OTTED uses the direct support organization, the Florida Sports Foundation, to carry out the applicant screening duties required under ss. 288.1162, 288.1168, and 288.1169, F.S. The Florida Sports Foundation submits the applications to OTTED, which certifies the eligibility of the applicants under the law.

Motorsports Entertainment Complexes – Background

Currently, there are no general sales tax revenue distributions permitted for motorsports entertainment complexes. There are, however, two motorsports entertainment complexes in the state: Daytona International Speedway (Volusia County) and the Homestead-Miami Speedway (Miami-Dade County). The Daytona International Speedway facility and property is owned by Volusia County with a small portion owned by the Volusia Racing Recreational District, a special district. The Homestead-Miami Speedway facility and property is owned by the City of Homestead. In both areas, the facilities are leased from the governmental entity to International Speedway Corporation (ISC) that operates the speedways.

The Daytona International Speedway was constructed in 1959 and is located on 480 acres. The facility has current seating of 165,059 and a 2.5-mile track with 31 degree banked turns. Events held at the Daytona International Speedway include NASCAR Nextel Cup Series, Busch Series, Craftsman Truck Series, Crown Royal IROC, and ARCA Re/Max Series.

The Homestead-Miami Speedway was constructed in 1995 and is located on 600 acres. The facility has current seating of 65,000 and a 1.5-mile tract with 30 degree banked turns. Events held at the Homestead-Miami Speedway include NASCAR Nextel Cup Series, Busch Series, Craftsman Truck

Series, Grand American Road Racing Series, the Rolex Sports Car Series, and Championship Auto Racing Team Series.

Proposed Changes

HB 183 amends s. 212.20(6)(d), F.S., to provide for the distribution of a portion of revenues from the tax on sales, use, and other transactions to an applicant certified as a motorsports entertainment complex by OTTED pursuant to s. 288.1170, F.S., created by the bill. Thirty days after OTTED notifies DOR of the applicant's certification, an amount not to exceed \$166,667 shall be distributed monthly. The bill establishes a baseline for determining the amount of distribution that the applicant certified as a motorsports entertainment complex is eligible to receive from DOR each year that would be prorated on a monthly basis. Distribution in a year is based upon the difference of sales taxes collected and remitted for the previous calendar year and that collected and remitted for calendar year 2000 which is the base year. If sales tax remitted is less than the baseline year, no money will be received. If it is more than received in the baseline year, whatever the difference is up to a maximum of \$2 million can be received by the certified applicant.

The bill creates s. 288.1170, F.S., which provides for certification of applicants for motorsports entertainment complexes by OTTED. The section delineates requirements for certification of an applicant as a motorsports entertainment complex which is defined as a closed-course racing facility with ancillary grounds and facilities. By definition, the motorsports entertainment complex must have at least 65,000 permanent seats and 7 scheduled days of motorsports events each calendar year. Additionally, the complex must have paid admissions of more than 125,000 annually, serve food during sanctioned motorsports events, and engage in tourism promotion.

In order for an applicant to be certified, not only is OTTED required to determine that the complex meets the definition but it also must determine the following:

- a unit of local government holds title to the land or title to the complex;
- seven scheduled days of motorsports events were held at the complex in the most recently completed calendar year or seven scheduled days of motorsports events are scheduled in the calendar year after submission of the application;
- the applicant has completed an independent analysis that demonstrates that the project will attract, or in the most recently completed calendar year has attracted, paid attendance of more than 125,000 annually and demonstrates that the amount of revenues generated by taxes is consistent with the provisions of the act;
- the municipality or county in which the complex is located has certified by resolution after a public hearing that the applicant serves a public purpose;
- the complex is located in a county defined in s. 125.011(1), F.S.

Only the Homestead-Miami Speedway could qualify under the provisions of the bill.

No complex certified under this section is eligible for any additional certification or funding under the section.

Each year OTTED must recertify that the complex generates sufficient sales tax revenues annually as required by s. 288.1170, F.S.

A certified applicant may use funds to pay for construction, reconstruction, expansion, or renovation of the complex and related transportation or other infrastructure improvements and for paying for debt service reserve funds, arbitrage rebate obligations, or other amounts relating to bonds with respect to the aforementioned. Funds may also be used for paying for advertising and promotion of the complex or of the community. DOR may audit to verify that the distributions have been expended pursuant to the section and may pursue recovery of funds, if necessary.

C. SECTION DIRECTORY:

Section 1. Amends s. 212.20(6)(d), F.S., relating to the distribution of revenues from the tax on sales, use, and other transactions; providing distribution of proceeds to a certified motorsports entertainment complex.

Section 2. Creates s. 288.1170, F.S., relating to motorsports entertainment complexes; providing definitions; providing certification criteria for, and duties of, the motorsports entertainment complex; specifying responsibilities of OTTED and DOR.

Section 3. Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:	<u>2006-07</u>	<u>2007-08</u>
	(\$2 million)	(\$2 million)

This is the maximum amount. The distribution states that it cannot exceed \$166,667 per month which would equal \$2 million per year as a maximum. See "Fiscal Comments."

2. Expenditures:	<u>2006-07</u>	<u>2007-08</u>
	-0-	-0-

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:	<u>2006-07</u>	<u>2007-08</u>
	\$2 million	\$2 million

Comment: Local governments that are the owners of the complex or the land would be assisted by \$2 million per year that could be bonded to assist in construction, reconstruction, renovation and other transportation and infrastructure needs related to the complex.

2. Expenditures:	<u>2006-07</u>	<u>2007-08</u>
	-0-	-0-

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

As Florida's motorsports entertainment industry continues to develop and improve, there may be a positive economic impact on private businesses due to multiplier effects.

D. FISCAL COMMENTS:

The bill establishes a baseline for determining the amount of distribution that the certified applicant as a motorsports entertainment complex is eligible to receive from the Department of Revenue each year that would be prorated on a monthly basis. Distribution in a year is based upon the difference of sales taxes collected and remitted for the previous calendar year and that collected and remitted for calendar

year 2000 which is the base year. If sales tax remitted is less than the baseline year, no money will be received. If it is more than received in the baseline year, whatever the difference is up to a maximum of \$2 million can be received by the facility.

The bill may generate additional sales tax revenues due to commercial development and capital improvements.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not reduce the percentage of state tax shared with municipalities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

Section 2 of the bill provides authority for OTTED to adopt rules to implement specific powers and perform duties described.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The Department of Revenue offers the following recommendations:

Section 1: On line 170, insert "state" before the word "fiscal". On lines 173 and 175 replace "facility" with "certified applicant".

Section 2: On line 195 replace the term "motorsports races" with "motorsports events". On line 312 insert the phrase "certification under" after the phrase "pursuant to".

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

1 A bill to be entitled

2 An act relating to motorsports entertainment complexes;
3 amending s. 212.20, F.S.; providing for distribution of a
4 portion of revenues from the tax on sales, use, and other
5 transactions to a certified motorsports entertainment
6 complex; providing a limit on such distributions; creating
7 s. 288.1170, F.S.; providing definitions; providing for
8 certification of motorsports entertainment complexes by
9 the Office of Tourism, Trade, and Economic Development of
10 the Executive Office of the Governor; providing
11 requirements for certification; requiring specified
12 notice; providing for annual recertification; providing
13 for use of the funds distributed to a motorsports
14 entertainment complex; authorizing audits by the
15 Department of Revenue; providing an effective date.

16
17 WHEREAS, the Legislature finds that Florida has long been
18 the preeminent site in the nation for motorsports racing, and

19 WHEREAS, motorsports racing has been a major tourist
20 attraction in Florida for nearly 100 years, and

21 WHEREAS, motorsports entertainment is the fastest growing
22 sports industry in the United States, and

23 WHEREAS, as a result of the increased popularity of
24 motorsports racing, many new motorsports facilities are being
25 constructed in other states, and

26 WHEREAS, to continue to attract spectators to sanctioned
27 championship motorsports events, the owner or operator of a
28 motorsports entertainment complex must build additional

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spectator seating and renovate existing facilities to improve the amenities available to spectators, and

WHEREAS, attracting, retaining, and providing favorable conditions for conducting sanctioned championship motorsports events and the continued development of the motorsports entertainment industry in Florida provides skilled-employment opportunities for citizens of this state, and

WHEREAS, continued development and improvement of Florida's motorsports entertainment industry is vital to Florida's tourism industry and to state revenues, and

WHEREAS, the motorsports entertainment industry is a major contributor to Florida's economic development because of the technology and service businesses that provide goods and services to the industry, and

WHEREAS, the provisions of this act are necessary to protect and strengthen Florida's motorsports entertainment industry, and the purposes to be achieved by this act are predominately public purposes vital to the protection and improvement of Florida's economy, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.--

(6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be as follows:

(d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. Two-tenths of one percent shall be transferred to the Ecosystem Management and Restoration Trust Fund to be used for water quality improvement and water restoration projects.

3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less \$5,000 each month, which shall be added to the amount calculated in subparagraph 4. and distributed accordingly.

4. After the distribution under subparagraphs 1., 2., and 3., 0.095 percent shall be transferred to the Local Government

83 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
84 to s. 218.65.

85 5. After the distributions under subparagraphs 1., 2., 3.,
86 and 4., 2.0440 percent of the available proceeds pursuant to
87 this paragraph shall be transferred monthly to the Revenue
88 Sharing Trust Fund for Counties pursuant to s. 218.215.

89 6. After the distributions under subparagraphs 1., 2., 3.,
90 and 4., 1.3409 percent of the available proceeds pursuant to
91 this paragraph shall be transferred monthly to the Revenue
92 Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
93 the total revenue to be distributed pursuant to this
94 subparagraph is at least as great as the amount due from the
95 Revenue Sharing Trust Fund for Municipalities and the former
96 Municipal Financial Assistance Trust Fund in state fiscal year
97 1999-2000, no municipality shall receive less than the amount
98 due from the Revenue Sharing Trust Fund for Municipalities and
99 the former Municipal Financial Assistance Trust Fund in state
100 fiscal year 1999-2000. If the total proceeds to be distributed
101 are less than the amount received in combination from the
102 Revenue Sharing Trust Fund for Municipalities and the former
103 Municipal Financial Assistance Trust Fund in state fiscal year
104 1999-2000, each municipality shall receive an amount
105 proportionate to the amount it was due in state fiscal year
106 1999-2000.

107 7. Of the remaining proceeds:

108 a. In each fiscal year, the sum of \$29,915,500 shall be
109 divided into as many equal parts as there are counties in the
110 state, and one part shall be distributed to each county. The

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111 distribution among the several counties shall begin each fiscal
 112 year on or before January 5th and shall continue monthly for a
 113 total of 4 months. If a local or special law required that any
 114 moneys accruing to a county in fiscal year 1999-2000 under the
 115 then-existing provisions of s. 550.135 be paid directly to the
 116 district school board, special district, or a municipal
 117 government, such payment shall continue until such time that the
 118 local or special law is amended or repealed. The state covenants
 119 with holders of bonds or other instruments of indebtedness
 120 issued by local governments, special districts, or district
 121 school boards prior to July 1, 2000, that it is not the intent
 122 of this subparagraph to adversely affect the rights of those
 123 holders or relieve local governments, special districts, or
 124 district school boards of the duty to meet their obligations as
 125 a result of previous pledges or assignments or trusts entered
 126 into which obligated funds received from the distribution to
 127 county governments under then-existing s. 550.135. This
 128 distribution specifically is in lieu of funds distributed under
 129 s. 550.135 prior to July 1, 2000.

130 b. The department shall distribute \$166,667 monthly
 131 pursuant to s. 288.1162 to each applicant that has been
 132 certified as a "facility for a new professional sports
 133 franchise" or a "facility for a retained professional sports
 134 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
 135 distributed monthly by the department to each applicant that has
 136 been certified as a "facility for a retained spring training
 137 franchise" pursuant to s. 288.1162; however, not more than
 138 \$208,335 may be distributed monthly in the aggregate to all

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139 | certified facilities for a retained spring training franchise.
 140 | Distributions shall begin 60 days following such certification
 141 | and shall continue for not more than 30 years. Nothing contained
 142 | in this paragraph shall be construed to allow an applicant
 143 | certified pursuant to s. 288.1162 to receive more in
 144 | distributions than actually expended by the applicant for the
 145 | public purposes provided for in s. 288.1162(6). However, a
 146 | certified applicant is entitled to receive distributions up to
 147 | the maximum amount allowable and undistributed under this
 148 | section for additional renovations and improvements to the
 149 | facility for the franchise without additional certification.

150 | c. Beginning 30 days after notice by the Office of
 151 | Tourism, Trade, and Economic Development to the Department of
 152 | Revenue that an applicant has been certified as the professional
 153 | golf hall of fame pursuant to s. 288.1168 and is open to the
 154 | public, \$166,667 shall be distributed monthly, for up to 300
 155 | months, to the applicant.

156 | d. Beginning 30 days after notice by the Office of
 157 | Tourism, Trade, and Economic Development to the Department of
 158 | Revenue that the applicant has been certified as the
 159 | International Game Fish Association World Center facility
 160 | pursuant to s. 288.1169, and the facility is open to the public,
 161 | \$83,333 shall be distributed monthly, for up to 168 months, to
 162 | the applicant. This distribution is subject to reduction
 163 | pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
 164 | made, after certification and before July 1, 2000.

165 | e. Beginning 30 days after notice by the Office of
 166 | Tourism, Trade, and Economic Development to the Department of

167 Revenue that an applicant has been certified as a motorsports
168 entertainment complex pursuant to s. 288.1170 and is open to the
169 public, an amount not to exceed \$166,667 shall be distributed
170 monthly to the applicant. However, each fiscal year's total
171 distribution made pursuant to this sub-subparagraph shall not
172 exceed the difference between the state sales taxes collected
173 and remitted pursuant to this chapter by the facility in the
174 previous calendar year and state sales taxes collected and
175 remitted pursuant to this chapter by the facility in calendar
176 year 2000. Distributions shall continue for 30 years.

177 8. All other proceeds shall remain with the General
178 Revenue Fund.

179 Section 2. Section 288.1170, Florida Statutes, is created
180 to read:

181 288.1170 Motorsports entertainment complex; definitions;
182 certification; duties.--

183 (1) As used in this section:

184 (a) "Applicant" means the owner of a motorsports
185 entertainment complex.

186 (b) "Motorsports entertainment complex" means a closed-
187 course racing facility, with ancillary grounds and facilities,
188 which:

189 1. Has not fewer than 65,000 permanent seats for race
190 patrons.

191 2. Has not fewer than 7 scheduled days of motorsports
192 events each calendar year.

193 3. Has paid admissions of at least 125,000 annually.

194 4. Serves food at the facility during sanctioned

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motorsports races.

5. Engages in tourism promotion.

(c) "Motorsports event" means a motorsports race and its ancillary activities which have been sanctioned by a sanctioning body.

(d) "Office" means the Office of Tourism, Trade, and Economic Development of the Executive Office of the Governor.

(e) "Owner" means a unit of local government that owns a motorsports entertainment complex or owns the land on which the motorsports entertainment complex is located.

(f) "Sanctioning body" means the American Motorcyclist Association (AMA), Championship Auto Racing Teams (CART), Grand American Road Racing Association (Grand-Am), Indy Racing League (IRL), National Association for Stock Car Auto Racing (NASCAR), National Hot Rod Association (NHRA), Professional Sports Car Racing (PSCR), Sports Car Club of America (SCCA), United States Auto Club (USAC), or any successor organization, or any other nationally recognized governing body of motorsports that establishes an annual schedule of motorsports events and grants rights to conduct such events, has established and administers rules and regulations governing all participants involved in such events and all persons conducting such events, and requires certain liability assurances, including insurance.

(g) "Unit of local government" has the same meaning as provided in s. 218.369.

(2) The office shall serve as the state agency for screening applicants for state funding pursuant to s. 212.20 and for certifying an applicant as a motorsports entertainment

223 complex. The office shall develop and adopt rules for the
224 receipt and processing of applications for funding pursuant to
225 s. 212.20. The office shall make a determination regarding any
226 application filed by an applicant not later than 120 days after
227 the application is filed.

228 (3) Prior to certifying an applicant as a motorsports
229 entertainment complex, the office must determine that:

230 (a) A unit of local government holds title to the land on
231 which the motorsports entertainment complex is located or holds
232 title to the motorsports entertainment complex.

233 (b) Seven scheduled days of motorsports events were held
234 at the motorsports entertainment complex in the most recently
235 completed calendar year or 7 scheduled days of motorsports
236 events are scheduled to be held at the motorsports entertainment
237 complex in the calendar year that begins after the submission of
238 the application. The applicant shall submit certifications from
239 the appropriate officials of the relevant sanctioning bodies
240 that such sanctioned motorsports events were or will be held at
241 the motorsports entertainment complex.

242 (c) The applicant can provide a certification by a
243 nationally recognized, independent certified public accounting
244 firm that the motorsports entertainment complex will attract, or
245 in the most recently completed calendar year has attracted, paid
246 attendance of at least 125,000 annually.

247 (d) The applicant can provide a certification by a
248 nationally recognized, independent certified public accounting
249 firm that the amount of the revenues generated by the taxes
250 imposed under chapter 212 with respect to the use and operation

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251 of the motorsports entertainment complex will equal or exceed \$1
252 million annually.

253 (e) The municipality in which the motorsports
254 entertainment complex is located, or the county if the
255 motorsports entertainment complex is located in an
256 unincorporated area, has certified by resolution after a public
257 hearing that the application serves a public purpose.

258 (f) The motorsports entertainment complex is located in a
259 county defined in s. 125.011(1).

260 (4) Upon determining that an applicant meets the
261 requirements of subsection (3), the office shall certify the
262 applicant as a motorsports entertainment complex and shall
263 notify the applicant and the executive director of the
264 Department of Revenue of such certification by means of an
265 official letter granting certification. If the applicant fails
266 to meet the certification requirements of subsection (3), the
267 office shall notify the applicant not later than 10 days
268 following such determination.

269 (5) The office must recertify a previously certified
270 motorsports entertainment complex each year that the complex
271 continues to generate sufficient sales tax revenues annually as
272 required pursuant to paragraph (3)(d).

273 (6) No motorsports entertainment complex that has been
274 previously certified under this section and has received funding
275 under such certification shall be eligible for any additional
276 certification.

277 (7) An applicant certified as a motorsports entertainment
278 complex may use funds provided pursuant to s. 212.20 only for

the following public purposes:

(a) Paying for the construction, reconstruction, expansion, or renovation of a motorsports entertainment complex.

(b) Paying debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds issued for the construction, reconstruction, expansion, or renovation of the motorsports entertainment complex or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

(c) Paying for construction, reconstruction, expansion, or renovation of transportation or other infrastructure improvements related to, necessary for, or appurtenant to the motorsports entertainment complex, including, without limitation, paying debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds issued for the construction, reconstruction, expansion, or renovation of such transportation or other infrastructure improvements, and for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

(d) Paying for programs of advertising and promotion of or related to the motorsports entertainment complex or the municipality in which the motorsports entertainment complex is located, or the county if the motorsports entertainment complex is located in an unincorporated area, provided such programs of advertising and promotion are designed to increase paid attendance at the motorsports entertainment complex or increase tourism in or promote the economic development of the community in which the motorsports entertainment complex is located.

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(8) The Department of Revenue may audit, as provided in s. 213.34, to verify that the distributions pursuant to this section have been expended as required in this section. All other provisions of chapter 213 shall apply to such audits. If the Department of Revenue determines that the distributions pursuant to this section have not been expended as required by this section, the department may pursue recovery of such funds pursuant to the laws and rules governing the assessment of taxes.

Section 3. This act shall take effect July 1, 2006.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.1(for drafter's use only)

Bill No. 183

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Council/Committee hearing bill: Tourism Committee
2 Representative(s) Allen offered the following:
3

4 **Amendment**

5 Remove line 170 and insert:
6

7 monthly to the applicant. However, each state fiscal
8 year's total
9
10
11

000000

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.2 (for drafter's use only)

Bill No. 183

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Tourism Committee

Representative(s) Allen offered the following:

Amendment

Remove lines 173-175 and reinsert:

and remitted pursuant to this chapter by the certified
applicant in the previous calendar year and state sales taxes
collected and remitted pursuant to this chapter by the certified
applicant in calendar

000000

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.3(for drafter's use only)

Bill No. 183

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill: Tourism Committee
2 Representative(s) Allen offered the following:

3
4 **Amendment**

5 Remove line 195 and insert:

6
7 motorsports events.

000000

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No.4 (for drafter's use only)

Bill No. 183

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Council/Committee hearing bill: Tourism Committee

2 Representative(s) Allen offered the following:

3
4 **Amendment**

5 Remove line 312 and insert:

6
7 pursuant to certification under this section have not been
8 expended as required by

000000

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 299 CS
SPONSOR(S): Sobel and others
TIED BILLS:

Travel-Limited Life Insurance Coverage

IDEN./SIM. BILLS: SB 764

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Insurance Committee	19 Y, 0 N, w/CS	Cooper	Cooper
2) Tourism Committee		McDonald <i>gm</i>	McDonald <i>gm</i>
3) Transportation & Economic Development Appropriations Committee			
4) Commerce Council			
5) _____			

SUMMARY ANALYSIS

The offering and sale of insurance in Florida, including life insurance, are governed by the provisions of the "Florida Insurance Code." Before insurers deliver a policy or application form in the state they must file the form for approval by the Office of Insurance Regulation. Subsequent to approval, insurers' trade practices relating to the business of insurance are regulated pursuant to Part IX of Chapter 626, F.S. entitled "Unfair Insurance Trade Practices Act." The purpose of this part is to define, or to provide for the determination of, practices which constitute unfair methods of competition or unfair or deceptive acts and prohibiting such practices.

Recently, insurance regulators in several states, including Florida, have expressed concern about some life insurance companies denying life insurance to individuals based on a person's past or future travel plans. Although, according to the Office of Insurance Regulation such practices may be illegal in Florida under existing law, there is currently no express specific statutory prohibition against such acts.

The bill prohibits a life insurance company from refusing to insure, refusing to continue to insure, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage solely for reasons associated with an applicant's or insured's past or future lawful travel experiences. The bill also authorizes the Financial Services Commission to adopt rules to implement the law and to provide limited exceptions based upon emergencies and consistent with public policy.

This bill does not have a fiscal impact on state or local government.

This bill takes effect on July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government – This bill prohibits life insurers from denying or modifying coverage solely for reasons associated with an applicant's or insured's past or future lawful travel experiences.

Safeguard Individual Liberty – This bill will increase lawful foreign travel options for individuals. People of the Christian, Moslem and Jewish faith, among others, may have greater opportunities to travel to lands having cultural and religious importance to them.

Empower Families – With the provisions contained in this bill, families may have more options to engage in lawful travel activities.

B. EFFECT OF PROPOSED CHANGES:

Regulation of Life Insurance/Current Insurance Practices

Section 624.602, F. S. defines "Life insurance" as "insurance of human lives." Life insurance indemnifies against loss due to the death of a particular person upon whose death the insurance company agrees to pay a stated sum or income to the beneficiary. The transaction of life insurance also includes the granting of annuity contracts, including, but not limited to, fixed or variable annuity contracts; the granting of endowment benefits, additional benefits in event of death or dismemberment by accident or accidental means, additional benefits in event of the insured's disability; and optional modes of settlement of proceeds of life insurance.

In Florida, the Office of Insurance Regulation (OIR) has primary responsibility for regulation, compliance and enforcement of statutes related to the business of insurance, and the monitoring of industry markets. The office provides regulatory oversight of company solvency, policy forms and rates, market conduct performance and new company entrants to the Florida market

Before any life insurance policy or application form is delivered in Florida the form must be filed with, and approved by, OIR.¹ As each filing is received, it is reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Under current law, OIR is authorized to disapprove any form which, in addition to other reasons, is inconsistent, ambiguous, misleading, or deceptive.²

Once an insurer begins selling policies in the state, it is governed by, among other statutes and rules, the provisions of the "Unfair Insurance Trade Practices Act." The purpose of this part is to define, or to provide for the determination of, practices which constitute unfair methods of competition or unfair or deceptive acts and prohibiting such practices.³

In 2005, OIR became aware that some life insurance companies were denying life insurance coverage based on possible travel plans to certain foreign countries.⁴ In one instance, a policy was not approved

¹ s. 627.410, F.S.

² s. 627.411, F.S.

³ s. 626.9541, F.S.

⁴ Some companies have used the U.S. Department of State's Current Travel Warnings in their determinations. Travel Warnings are issued when the State Department recommends that Americans avoid a certain country. The counties listed below are currently on that list. In addition to this list, the State Department issues Consular Information Sheets for

because of an applicant's "potential travel to Israel."⁵ Upon further investigation, OIR determined that nine insurers had filed questionnaires with their application forms in which they asked about either past travel outside of the United States and/or whether the applicant intended to travel outside the United States in the future. The Office of Insurance Regulation contacted those insurers and those application forms were withdrawn.⁶

To prevent similar application forms from being used in the future, OIR initiated the rulemaking process to enact an administrative rule to specifically define as an unfair trade practice the exercise of unfair discrimination based on a person's future intent to engage in lawful travel. The rule (which also applies to annuity contracts, accident, disability or health insurance) prohibits an insurance company from refusing to issue policies solely because of the intent to engage in future lawful foreign travel or based upon past travel, unless the insurer can demonstrate that insureds are a separately actuarially supportable class whose risk of loss is different from those insureds who have not traveled and do not intend to travel.⁷

The Office of Insurance Regulation relies on s.626.9541(1)(g), F.S., a provision in the "Unfair Insurance Trade Practices Act," as the statutory authority for their proposed rule. The subsection reads:

1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.--

The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(g) Unfair discrimination.—

1. Knowingly making or permitting any unfair discrimination between individuals of the same actuarially supportable class and equal expectation of life, in the rates charged for any life insurance or annuity contract, in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

Having gone through the workshop and public hearing process, the proposed rule is now scheduled for final public hearing and adoption by the Financial Services Commission (comprised of the Governor and the Cabinet) on March 16, 2006.

Situation in Other States

Other states have addressed the issue of denying life insurance coverage based on past or future travel plans. States which have enacted laws restricting denials based upon past travel plans include New York, Maryland and Illinois.

every country of the world with information on such matters as the health conditions, crime, unusual currency or entry requirements, any areas of instability, and the location of the nearest U.S. embassy or consulate in the subject country. The following countries are currently on the list: Democratic Republic of the Congo, Nigeria, Colombia, Afghanistan, Kenya, Iran, Iraq, Saudi Arabia, Nepal, Haiti, Indonesia, Zimbabwe, Lebanon, Liberia, Yemen, Burundi, Cote d'Ivoire, Sudan, Bosnia-Herzegovina, Somalia, Algeria, Uzbekistan, Israel, the West Bank and Gaza, Central African Republic, Pakistan, and the Philippines. See Current Travel Warnings, available at

http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html, viewed on January 24, 2006.

⁵ Letter to Congresswoman Debbie Wasserman-Schultz from a representative of American General Life Insurance Company (AIG), March 28, 2005, on file with the Insurance Committee.

⁶ Letter to Congresswoman Debbie Wasserman-Schultz from Kevin M. McCarty, Commissioner, Office of Insurance Regulation, on file with the Insurance Committee.

⁷ Proposed amendments to Rule 690-125.003, Florida Administrative Code, published on November 23, 2005, in Vol.31, No. 47 of the *Florida Administrative Weekly*.

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New York Insurance Law § 2614 provides that no life insurer shall make any distinction or otherwise discriminate between persons, reject an applicant, cancel a policy or demand or require a higher rate of premium for reasons associated with an applicant's or insured's past lawful travel experiences.⁸ Maryland and Illinois both have the same provision prohibiting a life insurance company from refusing to insure, refusing to continue to insure, limiting the amount or extent or kind of coverage available to an individual, or charging an individual a different rate for the same coverage solely for reasons associated with an applicant's or insured's past lawful travel experiences.⁹

States which have passed laws addressing the practice of insurance companies basing their coverage decisions upon applicants' past or future travel plans include Washington and California. In 2005, Washington passed a law which prevents insurance companies from discriminating against travelers for lawful travel by canceling or denying travelers life insurance because of past or future lawful travel. The law does allow a life insurer to exclude or limit coverage of specific lawful travel, or to charge a differential rate for such coverage, when bona fide statistical differences in risk or exposure have been substantiated.¹⁰

The state which has addressed this issue most recently is California. Although California's law is the same as Washington's in what it expressly prohibits, it also clarifies that it does not prohibit an insurer from excluding or limiting coverage under a life insurance policy, or refusing to offer life insurance, based upon lawful travel, or from charging a different rate for that coverage, when that action is based upon sound actuarial principles or is related to actual and reasonably expected experience.¹¹

Changes Proposed by the Bill

The bill prohibits a life insurance company from refusing to insure, refusing to continue to insure, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage solely for reasons associated with an applicant's or insured's past or future lawful travel experiences.¹² The effect of the bill is that a life insurance company would not be allowed to base its coverage decision solely on an applicant's past or future travel activities, but it would not be precluded from taking into consideration other underwriting factors.

The bill also authorizes the Financial Services Commission to adopt rules to implement the law and to provide limited exceptions based upon emergencies and consistent with public policy.

C. SECTION DIRECTORY:

Section 1. Creates a new undesignated section of Florida law. Provides the purpose of the act and the prohibition against certain actions by life insurers regarding an applicant or policyholder's past or future lawful travel plans. Provides for rulemaking.

Section 2. Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

⁸State of New York Insurance Department, Opinion issued by the Office of General Counsel Re: Life Insurance Underwriting, filed on May 25, 2005, available at <http://www.ins.state.ny.us/rq050526.htm>, viewed on January 19, 2006.

⁹House Bill 617(Maryland), 2005 Regular Session bill information for "Life Insurance Freedom to Travel Act," current as of 12/15/05. Illinois law found at 215 IL. CS 5/236 (2005).

¹⁰"An act relating to prohibiting discrimination in life insurance based on lawful travel destinations," Engrossed House Bill 1561, State of Washington, 59th Legislature (2005).

¹¹Cal. Ins. Code s. 10111.7 (2005).

¹²This bill only addresses lawful travel experiences. It does not change the law regarding illegal travel to such countries as Cuba or North Korea.

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures: None

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Unable to be determined.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other: None

B. RULE-MAKING AUTHORITY:

Provided.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Reaction by the Insurance Industry

The sponsor of the bill submitted a letter for the record from Florida Combined Life Insurance Company, a subsidiary of Blue Cross and Blue Shield of Florida and licensed to conduct business in Florida, Georgia, South Carolina and Alabama, in support of the bill. According to the insurer, the bill promotes good public policy and protects individuals' right to travel.¹³

¹³ Letter to Representative Eleanor Sobel from Terri Schmidt, President, Florida Combined Life Insurance Company, December 21, 2005, on file with the Insurance Committee.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On January 26, 2006, the Insurance Committee adopted one amendment to the bill. The amendment authorized the Financial Services Commission to adopt rules to implement the law and to provide limited exceptions based upon emergencies and consistent with public policy.

As amended, the bill was reported favorably as a committee substitute.

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CHAMBER ACTION

The Insurance Committee recommends the following:

Council/Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to travel-limited life insurance coverage; providing a purpose; specifying prohibited activities by insurers for life insurance coverage relating to lawful travel experiences; authorizing the Financial Services Commission to adopt rules and provide certain limited exceptions based on emergency conditions; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. (1) The purpose of this act is to prohibit a life insurance company from refusing to insure or refusing to continue to insure an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage solely for reasons associated with an applicant's or insured's past or future lawful travel experiences.

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23 (2) An insurer may not refuse to insure or refuse to
24 continue to insure an individual, limit the amount, extent, or
25 kind of life insurance coverage available to an individual, or
26 charge an individual a different rate for the same coverage
27 solely for reasons associated with an applicant's or insured's
28 past or future lawful travel experiences.

29 (3) The Financial Services Commission may adopt rules
30 necessary to implement this section and may provide for limited
31 exceptions that are based upon national or international
32 emergency conditions that affect the public health, safety, and
33 welfare and that are consistent with public policy.

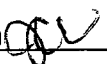
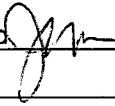
34 Section 2. This act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 615
SPONSOR(S): Simmons
TIED BILLS:

Professional Sports Franchises

IDEN./SIM. BILLS: SB 1426

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee		Langston 	McDonald 
2) Finance & Tax Committee			
3) State Infrastructure Council			
4)			
5)			

SUMMARY ANALYSIS

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) can certify a total of eight applicants as "facilities for new or retained professional sports franchises." A "new professional sports franchise" means a professional sports franchise that is not based in this state prior to April 1, 1987 and a "retained professional sports franchise" means a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, has continuously remained at that location, and has never been located at a previously certified facility." No certified applicant can receive a second certification if funds have been received. Currently, seven applicants have been certified: Broward County for Home Depot Stadium (Panthers); Joe Robbie, Inc., for Pro Player Stadium (Marlins); City of Jacksonville for Alltel Stadium (Jaguars); Tampa Bay Sports Authority for St. Pete Times Forum (Tampa Bay Lightning); City of St. Petersburg for Tropicana Field (Tampa Bay Devil Rays); BPL, Ltd., for American Airlines Arena (Miami Heat); and, Hillsborough County for Raymond James Stadium (Tampa Bay Buccaneers).

The Department of Revenue (department) is required to distribute monthly \$166,667 (\$2 million annually) of tax proceeds collected under Chapter 212, F.S., for no more than 30 years, to each applicant certified as a facility for a new or retained professional sports franchise by OTTED as meeting specific requirements outlined in s. 288.1162, F.S. Funds distributed can be used only for the public purposes delineated in s. 288.1162(6), F.S.

The bill requires that the remaining eighth certification for an applicant as a facility for a new professional sports franchise or a facility for a retained professional sports franchise under s. 288.1162, F.S., must be for a franchise that is a member of the National Basketball Association that has been located in the state since 1987, and has not been previously certified. The requirement is repealed on July 1, 2010.

The only franchise in the state that qualifies as an applicant for the eighth certification under the bill is the Orlando Magic.

Current law requires distribution of tax proceeds for an applicant that is certified as stated above. The bill only indicates that a certification must be made for the applicant to be certified as a facility for a specific professional sports franchise by a time certain. The bill does not eliminate the eighth slot. The bill, therefore, does not appear to have any fiscal impact on state or local government.

The bill has an effective date of July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not implicate any House Principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Facilities for New and Retained Professional Franchises - Certification

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) can certify a total of eight applicants as "facilities for new or retained professional sports franchises." A "new professional sports franchise" means a professional sports franchise that is not based in this state prior to April 1, 1987 and a "retained professional sports franchise" means a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, has continuously remained at that location, and has never been located at a previously certified facility."¹

To qualify an applicant for certification as either a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise", OTTED must determine that:

- The applicant is a unit of local government or a private entity; however, local government must be responsible for the construction, management, or operation of the facility or must hold the title to the property on which the professional sports franchise facility is located;
- The franchise has agreed to use the facility for 10 or 20 years depending on type of franchise;
- The governing league approves;
- The projections indicate 300,000 in paid annual attendance;
- The tax revenues generated will equal or exceed \$2 million annually;
- The local government certifies that the facility serves a public purpose;
- The applicant is capable of providing more than 50% of costs incurred or related to the improvement and development of the facility; and,
- The applicant has not been previously certified and received funds for that certification.

Once an applicant is certified, OTTED notifies the Department of Revenue that the certified applicant qualifies for state funding pursuant to s. 212.20(6)(d)7.b., F.S. Funds received can only be used for the stated public purpose of paying for the acquisition, construction, reconstruction, or renovation of a professional sports, retained professional sports, or retained spring training franchise facility, or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction, or renovation of the facility, including reimbursement of costs and financing for such purposes.²

Currently, seven applicants/facilities have been certified:

1. Broward Co. for Home Depot Stadium (Panthers),
2. Joe Robbie, Inc., for Pro Player Stadium (Marlins),
3. City of Jacksonville for Alltel Stadium (Jaguars),
4. Tampa Bay Sports Authority for St. Pete Times Forum (Tampa Bay Lightning),

¹ See s. 288.1162(3)(a) and (b), F.S. The Miami Dolphins is the only team in the state that does not qualify under either definition. By definition, the only team eligible under the definition of "retained professional sports franchise" is the Tampa Bay Buccaneers.

² See s. 288.1161(6), F.S.

5. City of St. Petersburg for Tropicana Field (Tampa Bay Devil Rays),
6. BPL, Ltd., for American Airlines Arena (Miami Heat), and
7. Hillsborough County for Raymond James Stadium (Tampa Bay Buccaneers).

Funding

Section 212.20(6)(d), F.S., determines how tax proceeds collected under Chapter 212, F.S., and tax proceeds distributed pursuant to s. 202.18(1)(b) and (2)(b), F.S., will be distributed after the operation of s. 212.20(6)(a), (b), and (c), F.S.

Section 212.20(6)(d)7.b., F.S., delineates distributions of revenues from the tax on sales, use, and other transactions from the Department of Revenue to those applicants certified as facilities for new and retained professional sports franchises. The department shall distribute \$166,667 monthly (\$2 million annually), pursuant to s. 288.1162, F.S., to each certified applicant for no more than 30 years.

The department may audit to verify that the distributions have been expended for the public purposes as required in s. 288.1162(6), F.S. If the department determines that the funds have not been used as required, it may pursue recovery of the funds.³

Changes Proposed by Bill:

The bill designates the eighth remaining certification for an applicant as a facility for a new professional sports franchise or a facility for a retained professional sports franchise to be for a franchise which is a member of the National Basketball Association, and that has been located in the state since 1987, and has not been previously certified. The designation is repealed July 1, 2010.

The only franchise in the state meeting the criteria is the Orlando Magic.

C. SECTION DIRECTORY:

Section 1: Amends s. 288.1162, F.S., relating to professional sports franchises and spring training franchises; designates the eighth certification for a specific applicant; repeals designation requirement on July 1, 2000.

Section 2: Provides for an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

³ See s. 288.1162(8), F.S.

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

HB 615

2006

A bill to be entitled
An act relating to professional sports franchises;
amending s. 288.1162, F.S.; providing additional
requirements with respect to certification as a facility
for a new professional sports franchise or a facility for
a retained professional sports franchise; providing for
repeal of the requirements by a specified date; providing
an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (7) of section 288.1162, Florida
Statutes, is amended to read:

288.1162 Professional sports franchises; spring training
franchises; duties.--

(7) (a) The Office of Tourism, Trade, and Economic
Development shall notify the Department of Revenue of any
facility certified as a facility for a new professional sports
franchise or a facility for a retained professional sports
franchise or as a facility for a retained spring training
franchise. The Office of Tourism, Trade, and Economic
Development shall certify no more than eight facilities as
facilities for a new professional sports franchise or as
facilities for a retained professional sports franchise and
shall certify at least five as facilities for retained spring
training franchises, including in such total any facilities
certified by the Department of Commerce before July 1, 1996. The
office may make no more than one certification for any facility.

HB 615

2006

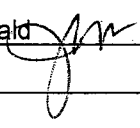
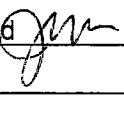
29 The office may not certify funding for less than the requested
30 amount to any applicant certified as a facility for a retained
31 spring training franchise.

32 (b) The eighth certification of an applicant under this
33 section as a facility for a new professional sports franchise or
34 a facility for a retained professional sports franchise shall be
35 for a franchise that is a member of the National Basketball
36 Association, has been located within the state since 1987, and
37 has not been previously certified. This paragraph is repealed
38 July 1, 2010.

39 Section 2. This act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7015 PCB GO 06-08 OGSR Archaeological Sites
SPONSOR(S): Governmental Operations Committee, Rivera
TIED BILLS: None **IDEN./SIM. BILLS:** SB 1036

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Governmental Operations Committee	6 Y, 0 N	Brazzell/Williamson	Williamson
1) Tourism Committee		McDonald 	McDonald 
2) State Administration Council			
3)			
4)			
5)			

SUMMARY ANALYSIS

The Open Government Sunset Review Act requires the Legislature to review each public records and each public meetings exemption five years after enactment. If the Legislature does not reenact the exemption, it automatically repeals on October 2nd of the fifth year after enactment.

The bill reenacts the public records exemption for any information identifying the location of archaeological sites contained in site files and records maintained by the Division of Historical Resources of the Department of State when that division finds that disclosure of such information will create a substantial risk of harm, theft, or destruction at the sites. The exemption will repeal on October 2, 2006, if this bill does not become law.

This bill does not appear to have a fiscal impact on local governments. This bill may have a minimal non-recurring positive fiscal impact on state government.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Background

Section 267.061(1)(a), F.S., declares that

[T]he rich and unique heritage of historic properties in this state, representing more than 10,000 years of human presence, is an important legacy to be valued and conserved for present and future generations. The destruction of these nonrenewable historical resources will engender a significant loss to the state's quality of life, economy, and cultural environment . . .

One element of the state's system of preserving historic properties is the maintenance of the Florida Master Site File ("site file"). The site file contains information on nearly 28,000 Florida archaeological sites in various formats, including electronic and paper.¹ The site file also contains information about other non-archaeological historic properties. The site file fulfills federal requirements contained in the National Historic Preservation Act of 1966, as amended through 2000, codified in 16 U.S.C. 470a(b)(3)(a) to "conduct a comprehensive survey of historic properties and maintain inventories of such properties". Various parties utilize the information in the site file, including local government staff, consultants charged with preserving archeological and other historic sites, and researchers.

There have been recent incidents involving looting of archaeological sites on state land:²

- In May 2004, Department of Environmental Protection agents arrested two individuals who were digging at Newnan's Lake, a site that has evidence of an archaic American Indian occupation. According to the division, the digging heavily damaged the site. The damage assessment was \$8,960.56.
- In May 2004, two individuals were arrested for unauthorized excavation and for removing arrowheads and tools at Enclave B on Southwest Florida Water Management District lands in Pasco County. The estimated cost of site damage was \$37,249.82.
- In June 2005, Department of Environmental Protection officers arrested one individual for removing artifacts from sites in the Tomoka State Park in Volusia County.
- In March 2005, Fish and Wildlife Conservation Commission officers arrested two individuals for digging at a site in the Lochloosa Wildlife Conservation Area. Based on information from the individuals, a subsequent review of other sites found widespread vandalism.

Current law provides a public records exemption for information identifying the location of an archaeological site contained in site files or other records maintained by the Division of Historical Resources of the Department of State if the division finds that disclosure of such information will create

¹ Section 267.031(5)(n), F.S., names and establishes the site file.

² Section 267.13, F.S., prohibits certain actions, including removing or otherwise altering any archeological site, upon any land owned or controlled by the state or within the boundaries of a designated state archeological landmark or landmark zone. The section of statute also provides for penalties ranging from misdemeanor to felony and administrative fines as well as forfeiture of any materials removed.

a substantial risk of harm, theft, or destruction at such site. Pursuant to the Open Government Sunset Review Act,³ the exemption will repeal on October 1, 2006, unless reenacted by the Legislature.

Effect of Bill

The bill removes the repeal date, thereby reenacting the public records exemption. It also makes editorial changes.

C. SECTION DIRECTORY:

Section 1 amends s. 267.135, F.S., to remove the repeal date.

Section 2 provides an October 1, 2006, effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None. This bill does not create, modify, amend, or eliminate a state revenue source.

2. Expenditures:

The bill may represent a minimal non-recurring positive impact on state expenditures. A bill enacting or amending a public records exemption causes a non-recurring negative fiscal impact in the year of enactment as a result of training employees responsible for replying to public records requests. In the case of bills reviewed under the Open Government Sunset Review process, training costs are incurred if the bill does not pass or if the exemption is amended, as retraining is required. Because the bill eliminates the repeal of the exemption, state government may recognize a minimal nonrecurring decrease in expenditures because employee-training activities are avoided.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None. This bill does not create, modify, amend, or eliminate a local revenue source.

2. Expenditures:

None. This bill does not create, modify, amend, or eliminate local expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

³ Section 119.15, F.S.

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Open Government Sunset Review Act

The Open Government Sunset Review Act sets forth a legislative review process for newly created or substantially amended public records or public meetings exemptions. It requires an automatic repeal of the exemption on October 2nd of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.

The Act provides that a public records or public meetings exemption may be created or maintained only if it serves an identifiable public purpose, and may be no broader than is necessary to meet one of the following purposes:

- Allowing the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
- Protecting sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety. However, only the identity of an individual may be exempted under this provision; or,
- Protecting trade or business secrets.

If, and only if, in reenacting an exemption that will repeal, the exemption is expanded (essentially creating a new exemption), then a public necessity statement and a two-thirds vote for passage are required because of the requirements of Art. 1, s. 24(c), Florida Constitution. If the exemption is reenacted with grammatical or stylistic changes that do not expand the exemption, if the exemption is narrowed, or if an exception to the exemption is created (e.g., allowing another agency access to the confidential or exempt records), then a public necessity statement and a two-thirds vote for passage are not required.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.

HB 7015

2006

A bill to be entitled

An act relating to a review under the Open Government Sunset Review Act regarding archaeological sites; amending s. 267.135, F.S., which provides a public records exemption for information identifying the location of an archaeological site held by the Division of Historical Resources of the Department of State; making editorial changes; removing the scheduled repeal of the exemption under the Open Government Sunset Review Act; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 267.135, Florida Statutes, is amended to read:

267.135 Location of archaeological sites.--Any information identifying the location of an archaeological site held ~~sites contained in site files or other records maintained by the~~ Division of Historical Resources of the Department of State is exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a) of Art. I of the State Constitution, if the Division of Historical Resources finds that disclosure of such information will create a substantial risk of harm, theft, or destruction at such site ~~sites. This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and expires on October 2, 2006, unless reviewed and reenacted by the Legislature.~~

Section 2. This act shall take effect October 1, 2006.